Atlantic Canada Opportunities Agency

2015-16

Departmental Performance Report

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

© Her Majesty the Queen in Right of Canada, as represented by the Minister of Innovation, Science and Economic Development, 2016.
Catalogue No.: AC2-4E-PDF
ISSN 2368-0466

Table of Contents

Ministers' Message 1

Results Highlights 3

Section I: Organizational Overview 5
- Organizational Profile 5
- Organizational Context 6
- Organizational Priorities 10

Section II: Expenditure Overview 21
- Actual Expenditures 21
- Budgetary Performance Summary 21
- Departmental Spending Trend 22
- Expenditures by Vote 23
- Alignment of Spending With the Whole-of-Government Framework 23
- Financial Statements and Financial Statements Highlights 24

Section III: Analysis of Programs and Internal Services 27
- Programs 27
  - Enterprise Development 27
  - Community Development 29
  - Policy, Advocacy and Coordination 31
- Internal Services 33

Section IV: Supplementary Information 35
- Supporting Information on Lower-Level Programs 35
- Supplementary Information 35
- Tax Expenditures and Evaluations 35
- Organizational Contact Information 35

Appendix: Definitions 37

Ministers' Message

We are pleased to report the key results of the Atlantic Canada Opportunities Agency for 2015-16.

The programs of the Innovation, Science and Economic Development Portfolio work together to deliver what Canada needs to improve productivity performance, to grow the economy and to enhance prosperity and well-being. That means supporting the government's commitment to develop an Innovation Agenda, which will, in turn, create good-paying jobs for the middle class, drive growth across all industries and improve the lives of Canadians. The work of the Portfolio includes helping small businesses grow through trade and innovation, promoting increased tourism to Canada and supporting scientific research and the integration of scientific considerations in our investment and policy choices.

As we approach Canada's 150th anniversary, we pledge to continue working with stakeholders from across the country to strengthen our place in the global economy.

It is our honour to present the *2015-16 Departmental Performance Report* for the Atlantic Canada Opportunities Agency.

The Honourable Navdeep Bains
Minister of Innovation, Science and Economic Development

The Honourable Kirsty Duncan
Minister of Science

The Honourable Bardish Chagger
Minister of Small Business and Tourism and Leader of the Government in the House of Commons

Results Highlights

What funds were used? (2015-16 Actual Spending)	Who was involved? (2015-16 Actual Full-Time Equivalents [FTEs])
$301,608,968	573

Results Highlights:

- In 2015-16, ACOA approved $52.6 million for innovation and commercialization projects. This included focused support to stimulate clean economic growth through the development and adoption of clean technologies. The Agency also renewed the Atlantic Canada Tourism Partnership (ACTP), which positions Atlantic Canada as a global tourism destination.

- ACOA approved $67.3 million for initiatives that contributed to the productivity and growth of small and medium-sized enterprises (SMEs) in Atlantic Canada. This included strategic investments in high-growth firms to foster the growth potential of companies in Atlantic Canada.

- In order to strengthen Atlantic Canada's position in international markets, ACOA approved $13.8 million in initiatives to pursue international opportunities. These included increasing the number of exports and the volume of export sales, attracting foreign direct investment and supporting the international commercialization of technologies.

- To respond to the distinct economic needs and opportunities of communities, ACOA approved $99 million for community development and diversification projects. The Agency prioritized support for projects that promoted economic development and created jobs for Indigenous people.

Section I: Organizational Overview

Organizational Profile

Appropriate Minister:
The Honourable Navdeep Bains, PC, MP

Institutional Head:
Mr. Paul J. LeBlanc, President

Ministerial Portfolio:
Innovation, Science and Economic Development

Enabling Instrument:
Part I of the *Government Organization Act, Atlantic Canada 1987*, R.S.C., 1985, c. 41 (4th Supp.), also known as the *Atlantic Canada Opportunities Agency Act*. See the Department of Justice Canada website for more information.

Year of Incorporation/Commencement:
1987

Organizational Context

Raison d'être

Established in 1987 (Part I of the *Government Organization Act, Atlantic Canada 1987*, R.S.C., 1985, c. 41 (4th Supp.), also known as the *Atlantic Canada Opportunities Agency Act*), the Atlantic Canada Opportunities Agency (ACOA) is the federal department responsible for the Government of Canada's economic development efforts in the provinces of New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador.

The Minister of Innovation, Science and Economic Development is responsible for this organization.

ACOA works to create opportunities for economic growth in Atlantic Canada by helping businesses become more competitive, innovative and productive, by working with diverse communities to develop and diversify local economies, and by championing the strengths of Atlantic Canada. Together with Atlantic Canadians, ACOA is building a stronger economy.

Responsibilities

ACOA plays an important role in developing and supporting policies and programs that strengthen the region's economy. Its responsibilities are stated in the Agency's legislation, which mandates the organization "to increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region."[1] Although the Agency's policies and program tools have evolved since its inception, the overall goal remains constant. ACOA is dedicated to helping the Atlantic region realize its full economic potential in terms of productivity, innovation, competitiveness and growth. This is achieved by addressing structural changes in the economy, by helping communities and businesses to overcome challenges and by capitalizing on opportunities. ACOA is committed to helping the region strengthen its capacity and build a stronger economy.

The Agency provides services through its head office in Moncton, N.B., and throughout the Atlantic provinces, with four regional offices located in the provincial capitals and 23 field offices. Through its Ottawa office, ACOA ensures that Atlantic Canada's interests are understood and reflected in the policies and programs developed by other departments and agencies of the federal government.

[1] *Atlantic Canada Opportunities Agency Act.*

Strategic Outcome and Program Alignment Architecture

ACOA's strategic outcome – a competitive Atlantic Canadian economy – and its program alignment architecture (PAA) can be found below. The PAA is based on the results of policy research and analysis, the periodic evaluation of program relevance and performance, ongoing dialogue with stakeholders in the region, and the priorities and directions of the Government of Canada.

1. **Strategic Outcome:** A competitive Atlantic Canadian economy
    - **1.1 Program:** Enterprise Development
        - **1.1.1 Sub-Program:** Innovation and Commercialization
        - **1.1.2 Sub-Program:** Productivity and Growth
        - **1.1.3 Sub-Program:** International Business Development
    - **1.2 Program:** Community Development
        - **1.2.1 Sub-Program:** Community Investment
        - **1.2.2 Sub-Program:** Community-based Business Development
    - **1.3 Program:** Policy, Advocacy and Coordination
        - **1.3.1 Sub-Program:** Policy
        - **1.3.2 Sub-Program:** Advocacy
        - **1.3.3 Sub-Program:** Coordination

Internal Services

Operating Environment and Risk Analysis

In 2015-16, ACOA's work was driven by client requirements, strategic priorities and ever changing local and regional economic landscapes. The Agency's efforts were focused on implementing mitigation measures to enhance its ability to achieve expected results.

Economic growth in Atlantic Canada was modest in 2015 as real gross domestic product (GDP) rose by 0.3 per cent only,[2] mainly due to weaker economic activity in Newfoundland and Labrador. This performance was an improvement compared with a year earlier, as real GDP in the region had declined in 2014. However, the region's 2015 performance was still below the national level, as real GDP for Canada rose by 0.9 per cent.[3] Economic growth in the Maritime provinces, however, improved, with real GDP advancing by a combined 1.3 per cent.[4]

Growth in the world economy is estimated to have slowed in 2015 relative to a year earlier, despite growth in advanced economies. It has been impacted by declining commodity prices and slower growth in emerging economies, where the pace of economic activity still remained well above that of advanced economies. Despite this, non-energy exports from Atlantic Canada rose by 8.0 per cent[5] last year. Additionally, increased global competition means businesses in Atlantic Canada need to be more competitive and productive. Research and development (R&D) expenditures in Atlantic Canada (an indicator in understanding innovation and productivity levels) rose by an annual average of 3.6 per cent[6] from 2003 to 2013, exceeding the national increase of 2.6 per cent[7] – with improvement occurring in the private and higher education sectors.

In November 2015, ACOA became part of the Innovation, Science and Economic Development (ISED) portfolio. The Agency ensured its activities were well aligned with the Government of Canada priorities and the Ministers' mandates, including the development of Canada's Innovation Agenda. Since then, there has been strong collaboration among departments and agencies within the ISED portfolio.

ACOA's key risks and response strategies, presented below, have supported the Agency in its plan to address challenges and capitalize on opportunities in a manner that is integrated, strategic and responsive to the circumstances affecting each Atlantic province.

---

[2] Statistics Canada, Gross domestic product (GDP) at basic prices, by NAICS, Provincial and Territorial (Table 379-0030). Data retrieved on May 12, 2016. Calculations by ACOA.

[3] Statistics Canada, GDP at basic prices, by NAICS, Monthly (Table 379-0031). Data retrieved on April 29, 2016. Calculations by ACOA.

[4] Statistics Canada, GDP at basic prices, by NAICS, Provincial and Territorial (Table 379-0030). Data retrieved on May 12, 2016. Calculations by ACOA.

[5] Trade Data Online, Innovation, Science and Economic Development Canada. Data retrieved on April 29, 2016. Calculations by ACOA.

[6] Statistics Canada, Gross domestic expenditures on research and development (Table 358-0001). Data retrieved on February 4, 2015. Calculations by ACOA.

[7] Ibid.

Cyber-attacks represent a broad risk that requires a whole-of-government response. ACOA focused on risk prevention, detection and reaction, and implemented Government of Canada policies, procedures and guidance as well as consolidated departmental policies, guidelines, protocols and plans. It adopted the Government of Canada standard enterprise systems and developed a proactive internal communications strategy aimed at clients and the public in the event of a breach. It also implemented the Communications Security Establishment Canada's *Top 10 IT Security Actions to Protect Government of Canada Internet-Connected Networks and Information*.

Risk	Risk Response Strategy	Link to ACOA Programs
Economic Context There is a risk that the achievement of results expected from the Agency's Economic Development programming may be affected by external factors that contribute to uncertainties for economic growth in Atlantic Canada.	ACOA conducted extensive policy research and analysis on the factors affecting economic growth in the region and disseminated economic updates. Its forward-looking, policy research agenda fostered a proactive approach to establish regional priorities that are responsive to challenges. Through its advocacy role, networks and regional presence, it facilitated various dialogues to gather intelligence. Management capitalized on a flexible, integrated approach to programming that allowed it to implement special initiatives within regions and to set common priorities, frameworks and actions. These included the approval of the Community Investment Framework and the Strategic Framework for Innovation as well as the development of a Productivity and Growth Framework and an International Business Development Strategy. The Agency leveraged working groups and led an outreach program to capitalize on opportunities and address challenges. It also adopted an integrated approach to planning and management.	Enterprise Development Community Development Policy, Advocacy and Coordination
External Capacity There is a risk that partner, community and client capacity for the identification, development and successful implementation of strategic projects may be insufficient to support the optimal achievement of ACOA's program objectives.	The Agency focused on ongoing, proactive intelligence gathering, it facilitated dialogues, and it was a strong partner and coordinator in joint meetings and shared actions with all key partners. It capitalized on a flexible, integrated approach to planning and management to address gaps as well as to implement internal and external strategic initiatives such as the strategic initiatives pilot for greater mobilization efforts across programs and the promotion of collaboration within the entrepreneurship ecosystem. The Agency promoted innovation-related actions, a more strategic use of the Business Development Program, and targeted assistance to areas in greatest need in order to maximize leveraging potential. Through enhanced leadership, collaboration and support, ACOA improved its program alignment to better identify opportunities. It established a community development engagement tool box, strengthened planning tools and portfolio management by implementing best practices and building on networks, and offered targeted training (e.g. on financial analysis).	Enterprise Development Community Development Policy, Advocacy and Coordination

Organizational Priorities

Innovation and Export Development

Description: Focus ACOA's programs and services on initiatives that encourage Atlantic Canadian businesses to be more innovative and productive and to export more, creating opportunities for jobs and wealth in the Atlantic economy.

Priority Type:[8] Ongoing

Key Supporting Initiatives

Planned Initiative	Start Date	End Date	Status	Link to ACOA Programs
Support small and medium-sized enterprises (SMEs), through the renewed Atlantic Innovation Fund and the strengthened Business Development Program. This will improve business productivity and competitiveness by promoting innovation and skills initiatives such as commercialization activities, the adoption and adaptation of technology, efficiency measures, the enhancement of business management skills and sector development activities. It will also help firms become investor ready and capitalize on opportunities related to major projects.	Ongoing	Ongoing	On track	Enterprise Development
Assist Atlantic businesses and industries to expand into the global marketplace by exploring opportunities for international business development, including global value chains, and by helping SMEs to capitalize on international trade agreements in 2015 and beyond.	Ongoing	Ongoing	On track	Enterprise Development
Progress Toward the Priority				
ACOA has a positive impact on Atlantic Canada. Each dollar ACOA invested directly into businesses from 2008 to 2013 resulted in over $5.40 in gains to Atlantic Canada's GDP, which is nearly $1 billion higher because of the Agency's programs and services.[9] Labour productivity among ACOA-assisted firms increased 5.1 per cent per year, on average, during that period.				

[8] "Type" definitions:

- New: newly committed to for fiscal year 2015-16
- Previously committed to: committed to one or two fiscal years earlier (i.e. 2013-14 or 2014-15)
- Ongoing: committed to at least three fiscal years earlier (i.e. 2012-13 or earlier)

[9] Measuring the impact on GDP in Atlantic Canada is a long-term, multi-dimensional undertaking. Thus, the Agency reports results every five years based on an analysis of data from internal systems, using econometric modelling from The Conference Board of Canada. This indicator will next be measured in 2018, covering the five-year period 2013-14 through 2017-18.

ACOA is a partner in the Government of Canada's High Impact Firm Initiative announced in Budget 2016 and is developing a pipeline of high-potential firms to help feed future phases of this national initiative.

ACOA has also developed its approach and immediate actions to substantially increase its expenditures in clean technology starting in 2016-17.[10]

An action plan to promote awareness and use of the Agency's innovation programming was implemented in 2015-16. This plan involved an integrated approach, with a focus on client innovation needs, drawing on programs as needed. It included frequent and coordinated outreach and the launch of a promotional campaign targeting Atlantic Canadian businesses, entrepreneurs, universities, colleges and research institutions, to increase awareness of the importance of innovation and of how ACOA's programs can help.

In 2015-16, the Agency approved $52.6 million toward 164 innovation and commercialization projects. These projects helped Atlantic Canadian SMEs improve their productivity and competitive position by allowing them to develop new products, services or processes, gain efficiencies, reduce production costs, acquire skills, leverage additional private-sector investments, or commercialize their ideas. Examples include the following:

- supporting R&D activities through a $1.7 million contribution to Dynamic Air Shelters Ltd. of Grand Bank, N.L., which is developing wide-span, air-inflated, pneumatic fabric structures to withstand extreme conditions/loads for temporary and semi-permanent installations; and
- providing support for Island Water Technologies Incorporated, of Montague, P.E.I., to complete R&D and validation of a modular energy-independent waste-water treatment system designed specifically for rural and remote population clusters, powered entirely by renewable energy sources, permitting off-grid operation. Island Water was recently the successful recipient of funding from the federal Build in Canada Innovation Program.

In addition to direct funding to SMEs, the Agency supported not-for-profit organizations that increase the adoption of innovative practices among SMEs. These are two examples:

- Provide support to the Catalyst Innovation Pilot Project delivered by Enterprise Saint John, where one participating company solved a challenge that it estimates is worth approximately $5 million in additional revenue annually.
- Invest in the region's innovation and commercialization ecosystem with a $500,000 contribution to Volta Labs Incorporated, of Halifax, N.S., an information and communications technology business incubator.

The Agency approved $67.3 million for 501 projects that contributed to the productivity and growth of SMEs in Atlantic Canada, including projects related to technology acquisition, expansion and modernization, domestic marketing, productivity and business skills, and business support. Examples include:

- supporting the Sobey School Business Development Centre in offering the High Growth Essentials program to growth-oriented businesses across Atlantic Canada, focusing on topics such as marketing, finance and human resources as they relate to business growth. This program impacted 278 businesses from a variety of sectors across the Atlantic provinces through training and coaching; and
- delivering on Government of Canada priorities such as broadband service in rural communities, where ACOA is supporting Seaside Communications Inc. with $2 million in funding for the expansion and enhancement of Internet technologies in rural and remote areas of Nova Scotia. This complements ISED's Connecting Canadians program.

[10] These initiatives emerged mid-year and were not included in ACOA's *2015-16 Report on Plans and Priorities*.

ACOA assisted businesses through trade missions, marketing, training, networking and planning supports in order for them to expand into the global marketplace by approving $13.8 million for 124 international business development projects. Examples include:

- providing $373,500 in support for the Newfoundland and Labrador Film Development Corporation to lead four international business development missions with 14 companies. Funding covered pre-market preparedness training, matchmaking services and business-to-business meetings to capitalize on strategic opportunities in select international markets; and
- working with a Community Business Development Corporation (CBDC) in New Brunswick to support the Strategic Export Marketing Program. This project provided an opportunity for eight New Brunswick mining supply companies with exportable products or services to develop marketing tools and strategies to compete internationally, thus strengthening their export capabilities.

Community Development and Diversification

Description: Respond to the distinct economic needs and opportunities of communities, including investments to help them transition and diversify.

Priority Type:[11] Ongoing

Key Supporting Initiatives

Planned Initiative	Start Date	End Date	Status	Link to ACOA Programs
Continue to work closely with partners in the private sector and academia, community-based groups and other government departments to address the needs of communities, especially in areas that are vulnerable to the out-migration of skilled workers and to an aging population.	Ongoing	Ongoing	On track	Community Development
Maximize the use of ACOA's resources, as well as those of partners such as the CBDCs that assist rural SMEs. This can be done through the identification of strategic opportunities for economic growth, wealth creation and diversification in the region's communities, research and analysis that will assess the specific needs of diverse areas, and advocacy for responses from key stakeholders that will generate economic benefit.	Ongoing	Ongoing	On track	Community Development
Assist in promoting industries such as tourism and help develop strategies to successfully grow these sectors.	Ongoing	Ongoing	On track	Community Development
Strengthen investments in communities while ensuring continued alignment with federal priorities such as support for official language minority communities (OLMCs) and Indigenous economic development.	Ongoing	Ongoing	On track	Community Development

[11] "Type" definitions:

- New: newly committed to for fiscal year 2015-16
- Previously committed to: committed to one or two fiscal years earlier (i.e. 2013-14 or 2014-15)
- Ongoing: committed to at least three fiscal years earlier (i.e. 2012-13 or earlier)

Progress Toward the Priority

ACOA continued to work closely with various partners to address the needs of communities that are vulnerable to the out-migration of skilled workers and to an aging population. Examples include:

- a partnership with the New Brunswick Department of Post-Secondary Education, Training and Labour to establish business incubators for francophone immigrants in Edmundston and Bathurst. These incubators will attract immigrants and business investment in northern New Brunswick;
- providing assistance to the Aquaculture Association of Nova Scotia, in partnership with Dalhousie University, to develop hatchery support for oyster aquaculture in disease-impacted regions of the province. Based on successful research in the United States, a breeding program is being developed using local oysters to provide seed stock and re-establish the oyster industry in Cape Breton while protecting the industry in other regions of Nova Scotia;
- supporting the Central Development Corporation Ltd.'s upgrade and renovation of a 13,000 square foot unit in an existing multi-tenant facility located in the Borden-Carleton Business Park to accommodate the food manufacturing sector. The proposed infrastructure improvements resulted in economic benefits stemming from the maintenance of 18 positions and the addition of up to 15 new ones at the facility, located in rural Prince Edward Island;
- supporting a project by Memorial University's Leslie Harris Centre of Regional Policy and Development to organize and host an Arctic Forum. The inaugural forum brought together leading national and international expertise to discuss challenges and opportunities associated with Arctic and northern development. It also provided an opportunity for senior leaders in government, business, academia and the community to explore and discuss the theme of social licence to operate and preparedness to undertake responsible resource development in the Arctic. It is envisioned that the forum will be held annually and will alternate between Canada and Norway. The first forum was held in October 2015 on Fogo Island, N.L; and
- providing support to LearnSphere Canada Inc. in Fredericton, to coordinate a bilingual program offering practical business management skills training to New Brunswick-based SMEs. ProfitLearn provides training in the areas of marketing, human resources, strategic planning, management and operations, financial management and business leadership. This project will enable ProfitLearn to deliver approximately 50 group training activities and 120 hours of consulting, and offer a customized program to 10 SMEs as a pilot program.

The Agency assisted in addressing the challenges faced by industry sectors such as tourism that have seen fluctuations in the global market and helped prepare strategies to grow those sectors. Examples include:

- renewing the Atlantic Canada Tourism Partnership (ACTP), an international tourism marketing agreement that positions Atlantic Canada as a leading leisure travel destination in high-potential, high-yield markets. The ACTP enables the Government of Canada, the four Atlantic Provinces and the tourism industry to pool resources and make it easier to penetrate markets. The ACTP is an important component of ACOA's Growth Strategy for Tourism and directly supports the Federal Tourism Strategy's priority of "Inspiring the world to explore Canada";
- funding for Georgetown, P.E.I., through the Strategic Tourism Expansion Program (STEP). The STEP process has significantly improved the communication and collaboration of community partners in the Georgetown area. Progress has been made through Georgetown joining the Atlantic Canada Cruise Ship Association; commissioning and advancing the recommendations of a report on attracting small-cruise-ship traffic; developing and implementing a spatial plan to determine developmental opportunities; improving signage and promotional materials to better promote and market Georgetown as a tourism destination; and creating Destination Georgetown Peninsula, a non-profit tourism promotion organization; and
- partnering with the Nunatsiavut Government to implement a two-year strategic marketing plan for the Torngat Mountains Base Camp and Research Station. Located in northern Labrador, this unique northern adventure tourism destination and gateway to Torngat Mountains National Park was designated one of the Canadian Signature Experiences by the Canadian

Tourism Commission. It is also considered a Northern Iconic Experience, which is promoted by Parks Canada at national and international events. This exceptional adventure-tourism product provides economic benefits to the region through job creation and other economic spinoffs.

In 2015-16, the CBDCs continued to provide an essential source of investment capital focused on rural businesses as well as business counselling and skills development. The CBDCs assisted 1,440 businesses through their investment fund by approving 1,550 loans, representing a total direct investment in local SMEs of $72.5 million. These investments contributed to the creation of 1,785 new jobs in rural communities in Atlantic Canada.

ACOA collaborated with the CBDCs to enhance their contribution toward rural businesses by offering 190 consulting advisory services sessions for a total cost of $1.3 million. Under the Seed Capital Initiative, ACOA supported five urban organizations that provided 148 loans valued at $1.6 million to young entrepreneurs.

ACOA worked closely with Indigenous leadership, Atlantic provincial governments and Indigenous and Northern Affairs Canada to complement the work being done in the region with respect to Indigenous economic development. In 2015-16, ACOA supported 28 projects with contributions of more than $4.4 million for Indigenous economic development. For example, ACOA assisted Indigenous communities to improve their access to capital financing through the Ulnooweg Development Group. Ulnooweg assisted Indigenous businesses through its investment fund by approving 38 loans, representing a total direct investment of $2.6 million. This investment contributed to the creation of 54 new jobs in communities in Atlantic Canada.

The Agency continued to engage with the OLMCs and provided $19.6 million in assistance for 91 projects throughout Atlantic Canada, including projects under the Economic Development Initiative of the *Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities*. Projects enhancing the vitality of the economy in the OLMCs were approved in all four Atlantic provinces, from developing a tourism guide for Newfoundland and Labrador to growing the translation industry in Atlantic Canada.

Coordination

Description: Work with all levels of government, the post-secondary education system, businesses and other stakeholders, and through established legislative, regulatory and Cabinet processes, to deliver on the Government's top priorities and support strategic investments that build on the region's competitive advantages.

Priority Type:[12] Ongoing

Key Supporting Initiatives

Planned Initiative	Start Date	End Date	Status	Link to ACOA Programs
Analyze and develop strategies and engage stakeholders to capitalize on opportunities in areas that show strong potential for development, including major projects, the renewable energy sector and key growth sectors in Atlantic Canada.	Ongoing	Ongoing	On track	Policy, Advocacy and Coordination
Engage with business networks to develop policy research focused on SMEs in the region.	Ongoing	Ongoing	On track	Policy, Advocacy and Coordination
Inform key decision-makers and provide them with strategic advice based on rigorous analysis to ensure the Atlantic economy capitalizes on opportunities.	Ongoing	Ongoing	On track	Policy, Advocacy and Coordination
Ensure federal policies and programs in the primary resources sector take into consideration Atlantic Canadian competitiveness issues, including awareness of opportunities for regional value-added products in new and existing global markets.	Ongoing	Ongoing	On track	Policy, Advocacy and Coordination
Advocate on behalf of Atlantic Canadian SMEs to promote their capacity to take advantage of opportunities associated with upcoming major projects, including federal defence procurement.	Ongoing	Ongoing	On track	Policy, Advocacy and Coordination
Engage stakeholders through various strategies to maximize federal industrial benefit opportunities related to the National Shipbuilding Strategy and the Defence Procurement Strategy.	Ongoing	Ongoing	On track	Policy, Advocacy and Coordination

[12] "Type" definitions:

- New: newly committed to for fiscal year 2015-16
- Previously committed to: committed to one or two fiscal years earlier (i.e. 2013-14 or 2014-15)
- Ongoing: committed to at least three fiscal years earlier (i.e. 2012-13 or earlier)

Lead the new Atlantic Federal Council in engaging senior federal officials on Atlantic priorities and in connecting with central agencies on issues of national importance.	Ongoing	Ongoing	On track	Policy, Advocacy and Coordination

Progress Toward the Priority

ACOA analyzed issues and developed strategies to support extensive collaboration and coordination with the other regional development agencies (RDAs) and with ISED on key government priorities such as innovation, the clean tech sector and high-growth firms.[13]

The Agency engaged with business networks to develop policy research focused on SMEs in the region, including:

- through research and analysis, which allowed ACOA to highlight opportunities for the lobster processing industry to improve access to growth markets and increase productivity to help companies take full advantage of the rising global demand for seafood; and
- by coordinating a federal-provincial working group in Nova Scotia to study and develop a better understanding of the province's waste resources so that the economic potential of alternative bioresources could be better quantified and to develop insights as to how the amount of waste entering Nova Scotia landfills could be reduced.

The Agency engaged stakeholders, SMEs and communities to prepare them to take advantage of potential opportunities related to the implementation of the Canada-European Union Comprehensive Economic and Trade Agreement (CETA). Examples include:

- supporting a research project with the Atlantic Chamber of Commerce focused on identifying and facilitating access to the European Union for Atlantic businesses;
- supporting a research project with the Atlantic Provinces Economic Council to increase knowledge of opportunities and challenges presented by CETA; and
- hosting the second edition of the business program under the Canada-France Regional Joint Cooperation Commission between Atlantic Canada and Saint-Pierre and Miquelon to discuss business opportunities in preparation for CETA.

ACOA advocated on behalf of Atlantic Canadian SMEs to promote their capacity to take advantage of opportunities associated with global markets and upcoming major projects, as well as advocating to ensure that federal policies and programs took into consideration Atlantic Canadian competitiveness issues. Examples include:

- hosting a Round Table on Innovation and Clean Tech in Halifax that included government, business and community leaders involved in the development and commercialization of innovative products and processes; and
- assisting in the development of a foreign trade zone task force for Sydney, N.S., that will provide single-window access to information on relevant policies and programs at all levels of government.

Stakeholders were engaged through various strategies to maximize industrial benefits related to the National Shipbuilding Strategy and the Defence Procurement Strategy. For example, Trade Team PEI partners hosted a Doing Business in the Marine Sector symposium in July 2015 with five participating firms from the United Kingdom and the Netherlands joining local firms in the marine technology sector. The goal of the symposium was to offer practical advice on how to succeed in this sector. ACOA made a presentation on Federal Procurement and the National Shipbuilding Strategy.

The Atlantic Federal Council, chaired by the Agency's president, engaged senior federal officials on Atlantic priorities and connected its members with central agencies on issues of national importance.

[13] This initiative emerged mid-year and was not part of ACOA's *2015-16 Report on Plans and Priorities*.

ACOA supported the Government of Canada's engagement on the Organisation for Economic Co-operation and Development's (OECD) Regional Development Policy Committee (RDPC) and the Working Party on Rural Policy. ACOA continues to chair the RDPC, to officially represent Canada on the Working Party on Rural Policy, and to work with Canada Economic Development for Quebec Regions in its role as Canada's representative on the RDPC. A key deliverable was ensuring a strong Canadian presence at the May 2015 OECD Rural Development Conference in Memphis, Tenn.

Internal Services

Description: Continually improve the internal management of the organization and maintain employee engagement in order to excel at serving Canadians.

Priority Type:[14] Ongoing

Key Supporting Initiatives

Planned Initiative	Start Date	End Date	Status	Link to ACOA Programs
Implement transformational and organizational initiatives that will strengthen and improve the Agency's capacity to effectively and efficiently deliver excellent programs and services, and continue to seek feedback and foster employee engagement through various initiatives (e.g. kaizen events, 2014 Public Service Employee Survey Action Plan, employee engagement committees) in support of the Blueprint 2020 vision.	Ongoing	Ongoing	On track	Internal Services
Continue to seek opportunities for increased collaboration both within the Agency as well as within the broader government context.	Ongoing	Ongoing	On track	Internal Services
Continue to implement the new Directive on Performance Management, which promotes a fair, equitable and consistent approach to people management, supports employees and their development, and enhances productivity to ensure the provision of high-quality service to Canadians.	Ongoing	Ongoing	On track	Internal Services
Manage the implementation of mitigating measures for the Agency's key risks and ensure the integration of risk management into the Agency's planning and decision-making processes.	Ongoing	Ongoing	On track	Internal Services

[14] "Type" definitions:

- New: newly committed to for fiscal year 2015-16
- Previously committed to: committed to one or two fiscal years earlier (i.e. 2013-14 or 2014-15)
- Ongoing: committed to at least three fiscal years earlier (i.e. 2012-13 or earlier)

Implement the first year of the 2015-18 ACOA Values and Ethics Strategy to ensure that values remain embedded in the Agency's culture.	Ongoing	Ongoing	On track	Internal Services
Reinforce ACOA's commitment to maintaining strong human resources practices, in keeping with public-service values and in meeting its human resources needs and the demands of its change management agenda.	Ongoing	Ongoing	On track	Internal Services
Support key elements of Shared Services Canada's (SSC) information technology (IT) transformation agenda to improve security and realize cost savings in the delivery of IT services within the public service.	Ongoing	Ongoing	On track	Internal Services

Progress Toward the Priority

Throughout 2015-16, the Agency continued to actively support the Blueprint 2020 initiative. The evolution of Blueprint 2020 was influenced in large part by the Agency's positive results in the 2014 Public Service Employee Survey. Staff across the Agency discussed the results extensively, and the priorities identified were aligned under the pillar "Working with People." As well, ACOA continues to value and prioritize innovative thinking, the use of new technologies and continuous improvement, elements that will ultimately enable us to deliver high-quality results. These elements were aligned under the pillar "Acting with Ideas."

The Agency continued its focus on employee engagement and the continued use of employee-driven process improvement. Employee engagement committees have been active throughout the year in all four regional offices and at head office.

The Agency worked collaboratively with the other RDAs, ISED and other federal departments through various sector groups to exchange information and best practices in areas such as risk and evaluation as well as on the new common grants and contributions management system that will help the RDAs further achieve a whole-of-government approach.

ACOA enhances its Human Resources practices on an ongoing basis by emphasizing employee learning and development through the continued use of individual learning plans and participation in the new enterprise-wide approach to learning from the Canada School of Public Service. The Agency also supported the implementation of central agency policy instruments such as the Performance Agreement module of the Executive Talent Management system and promoted the Treasury Board Secretariat's Directive on Performance Management, resulting once again in strong results for the Agency, with a completion rate of more than 95.0 per cent in 2015-16. In addition, the Agency implemented a new *Official Languages Action Plan (2016-19)*, which continues to focus on raising employees' awareness of the *Official Languages Act* and their rights and responsibilities relating to official languages, as well as a new *Employment Equity and Diversity Action Plan (2015-20)*, including activities and objectives such as raising employee awareness and encouraging an environment that embraces cultural diversity, employment equity and a respectful workplace. The Agency also collaborated with the Public Service Commission to prepare for the implementation of the New Direction in Staffing.

ACOA ensured appropriate mitigation of the Agency's key risks. It promoted and strengthened risk management and results-based management capacity and culture within the organization by ensuring that risk management was integrated into the Agency's planning and decision-making processes.

The implementation of ACOA's Values and Ethics Strategy supported the objective of ensuring that values and ethics remain at the foundation of the Agency's corporate culture and promote open dialogue at all levels of the Agency.

ACOA supported key elements of SSC's information technology transformation agenda. For example, the Agency was the first SSC partner to adopt the new government e-mail system in July 2015. The lessons learned from ACOA's migration were shared with the SSC and the system vendor, and were used to optimize processes for other departmental rollouts. ACOA also collaborated with SSC operational teams to decommission and upgrade end-of-support servers running the Windows 2003 operating system. This work resulted in improved system performance and security for the Agency. Finally, in collaboration with the SSC, and in support of its Telecommunications Transformation Program, ACOA undertook a comprehensive site analysis to identify requirements for implementing Wi-Fi service to meet increasing mobility requirements.

For more information on organizational priorities, see the Ministers' mandate letters.

Section II: Expenditure Overview

Actual Expenditures

Budgetary Financial Resources (dollars)

2015-16 Main Estimates	2015-16 Planned Spending	2015-16 Total Authorities Available for Use	2015-16 Actual Spending (authorities used)	Difference (actual minus planned spending)
298,584,989	298,584,989	306,577,812	301,608,968	3,023,979

Human Resources (FTEs)

2015-16 Planned	2015-16 Actual	Difference (actual minus planned spending)
598	573	(25)

Budgetary Performance Summary

Budgetary Performance Summary for Programs and Internal Services (dollars)

Programs and Internal Services	2015-16 Main Estimates	2015-16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending	2015-16 Total Authorities Available for Use	2015-16 Actual Spending (authorities used)	2014-15 Actual Spending (authorities used)	2013-14 Actual Spending (authorities used)
Enterprise Development	171,221,612	171,221,612	172,961,681	170,781,524	178,259,320	171,964,203	173,992,156	180,674,018
Community Development	89,727,582	89,727,582	97,704,593	96,688,987	90,705,042	91,402,846	90,659,999	94,103,327
Policy, Advocacy and Coordination	11,774,749	11,774,749	11,740,443	11,789,209	11,903,019	11,828,235	12,444,235	10,634,165
Internal Services	25,861,046	25,861,046	25,790,487	25,789,736	25,710,431	26,413,684	28,176,701	28,746,598
Total	**298,584,989**	**298,584,989**	**308,197,204**	**305,049,456**	**306,577,812**	**301,608,968**	**305,273,091**	**314,158,108**

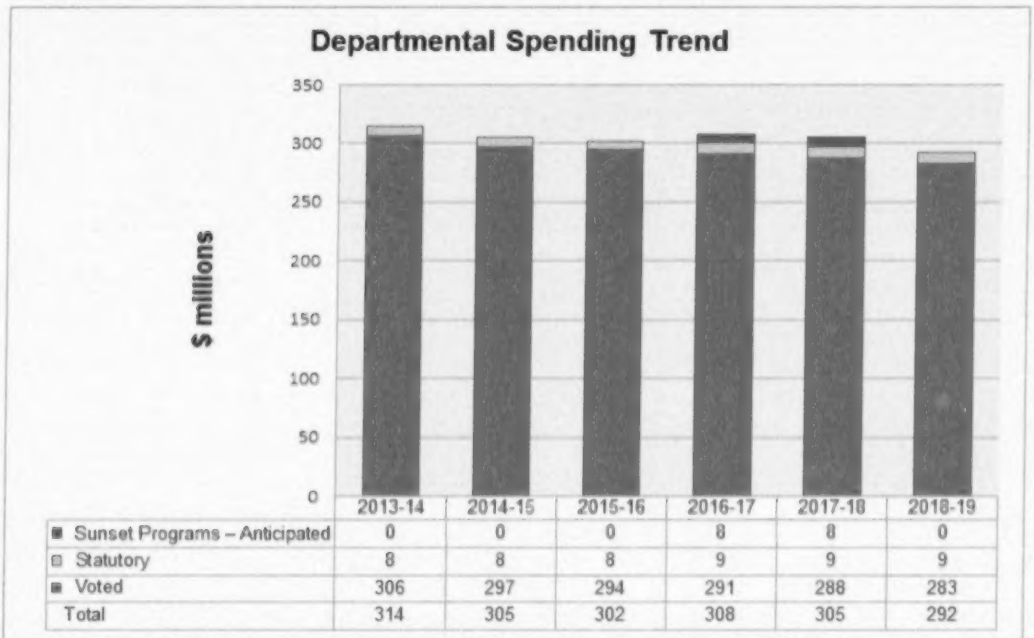
In 2015-16, planned spending of $298.6 million increased by $8.0 million, resulting in total authorities of $306.6 million. This was due to the following changes in authorities:

- An increase in authorities of $11.4 million
  - $8.1 million made available from the collection of repayable contributions;
  - $3.2 million due to an operating budget carry-forward from 2014-15; and
  - $0.1 million to establish a certification and market access program for seal products (Budget 2015).
- A decrease in spending authorities of $3.4 million
  - $3.0 million in funding originally identified through Budget 2014 to support a specific project in New Brunswick that did not proceed. The funds were returned to the fiscal framework; and

- $0.4 million in transfers to support government-wide initiatives (Back Office Transformation Initiative and the 2016 Census).

From total authorities of $306.6 million, actual spending was $301.6 million, resulting in a surplus of $5.0 million. Of this amount, $3.2 million will be carried forward as part of the Agency's operating budget and the balance will be included in the amount set aside to assist with anticipated economic increases resulting from the pending collective agreements.

Departmental Spending Trend



	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Sunset Programs – Anticipated	0	0	0	8	8	0
Statutory	8	8	8	9	9	9
Voted	306	297	294	291	288	283
Total	314	305	302	308	305	292

This graph illustrates the Agency's actual spending from 2013-14 to 2015-16 and planned spending from 2016-17 to 2018-19.

In 2015-16, the Agency's spending levels were lower than the previous year due to a decrease in spending authorities of $3.0 million to support a project in New Brunswick. In 2016-17 and 2017-18, planned spending will increase due to funding in support of the Canada 150 Community Infrastructure Program (CIP 150),[15] announced in Budget 2015.

[15] The Canada 150 Community Infrastructure Program is also known as the Canada 150 Infrastructure Program.

Expenditures by Vote

For information on ACOA's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2016*.

Alignment of Spending With the Whole-of-Government Framework

Alignment of 2015-16 Actual Spending with the Whole-of-Government Framework (dollars)

ACOA Program	Spending Area	Government of Canada Outcome	2015-16 Actual Spending
Enterprise Development	Economic Affairs	Strong Economic Growth	171,964,203
Community Development	Economic Affairs	Strong Economic Growth	91,402,846
Policy, Advocacy and Coordination	Economic Affairs	Strong Economic Growth	11,828,235

Total Spending, by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	272,723,943	275,195,284
Social Affairs	0	0
International Affairs	0	0
Government Affairs	0	0

Financial Statements and Financial Statements Highlights

Financial Statements

ACOA's 2015-16 financial statements can be found on the Agency's website.

Financial Statements Highlights

The financial highlights presented in this section are drawn from the Agency's financial statements and provide an overview of the Agency's financial position and operations. The unaudited financial statements are prepared in accordance with the Government's accounting policies, which are based on Canadian public sector accounting standards. The actual expenditures presented earlier in this section were prepared on a cash basis, while the financial highlights that follow were prepared on an accrual basis. Tables reconciling these two accounting methods are presented in note 3 of the financial statements.

Condensed Statement of Operations (unaudited)
For the Year Ended March 31, 2016
(dollars)

Financial Information	2015-16 Planned*	2015-16 Actual	2014-15 Actual	Difference (2015-16 Actual minus 2015-16 Planned)	Difference (2015-16 Actual minus 2014-15 Actual)
Total expenses	240,881,844	231,222,133	240,918,357	(9,659,711)	(9,696,224)
Total revenues	17,461	17,493	12,792	32	4,701
Net cost of operations before government funding and transfers	**240,864,383**	**231,204,640**	**240,905,565**	**(9,659,743)**	**(9,700,925)**

* ACOA's 2015-16 Future-Oriented Statement of Operations can be found on the Agency's website.

Actual total expenses were $231.2 million in fiscal year 2015-16, a decrease of $9.7 million (4.0 per cent) compared to the previous fiscal year. The decrease is mainly due to an accounting adjustment made every year regarding conditionally repayable contributions. When payments are made on conditionally repayable contributions, the amounts are included in expenses until conditions for repayment are met, at which time the Agency reduces its expenses and increases its accounts receivable. In 2015-16, the reduction was greater than the previous fiscal year.

Of the total expenses of $231.2 million, $96.3 million (41.6 per cent) was incurred under the Enterprise Development program while $92.9 million (40.2 per cent) was spent under the Community Development program.

Condensed Statement of Financial Position (unaudited)
As at March 31, 2016
(dollars)

Financial Information	2015-16	2014-15	Difference (2015-16 minus 2014-15)
Total net liabilities	61,060,207	62,673,714	(1,613,507)
Total net financial assets	55,269,204	57,421,930	(2,152,726)
Departmental net debt	5,791,003	5,251,784	539,219
Total non-financial assets	695,031	808,189	(113,158)
Departmental net financial position	**(5,095,972)**	**(4,443,595)**	**(652,377)**

Total net liabilities were $61.1 million at the end of the 2015-16 fiscal year, a decrease of $1.6 million (2.6 per cent) from 2014-15. The decrease can mainly be attributed to a reduction of trades payable.

Total net financial assets equalled $55.3 million at the end of 2015-16, a decrease of $2.2 million (3.7 per cent) from the previous year's total. These assets primarily consist of the "Due from the Consolidated Revenue Fund" ($53.3 million), which is used to discharge the Agency's liabilities. Given that the Agency's liabilities were lower than the previous fiscal year, the "Due from the Consolidated Revenue Fund" also decreased.

Total non-financial assets were $0.7 million at the end of 2015-16, a reduction of $0.1 million (14.0 per cent) over the previous fiscal year's total of $0.8 million.

Section III: Analysis of Programs and Internal Services

Programs

Enterprise Development

Description

Despite recent economic progress and some promising opportunities on the horizon (e.g. energy, shipbuilding), some significant challenges remain for the region to maximize positive growth. One of the most telling indicators of this is that, in a number of sectors, productivity remains significantly lower than in leading countries and other regions of Canada. The Agency works in partnership with Atlantic Canadian businesses, stakeholders, industry and institutions to improve the growth and productivity of Atlantic Canada's economy, leading to increased competitiveness, higher earned incomes and job creation. The Agency works to improve the capacity of Atlantic Canada's rural and urban areas for economic growth through a variety of strategically focused mechanisms: assisting businesses, particularly SMEs, to start, expand or modernize and to establish or expand export activities; partnering with universities and other institutions to increase the region's R&D capacity, commercialization and productivity; and promoting and participating in the region's transition to a knowledge economy.

Program Performance Analysis and Lessons Learned

In 2015-16, ACOA continued to work on improving the productivity and competitiveness of Atlantic Canadian firms. The Agency provided assistance through the three sub-programs within Enterprise Development in order to fuel innovation and commercialization, improve productivity and business skills, expand international markets and provide the capital needed to sustain growth and deliver expected results.

ACOA uses the labour productivity rate to measure its contribution to increasing companies' competitiveness. Labour productivity in ACOA-assisted firms, which is estimated using sales per worker, experienced healthy growth between 2008 and 2013. Sales per worker rose by 5.1 per cent per year in ACOA-assisted firms. This is 6.1 percentage points above firms not assisted by the Agency, which saw a decline of 1.0 per cent.[16] The Agency greatly exceeded its target for this indicator.

Another measure of competitiveness is business survival. A company's survival depends on factors such as its age, location and size. The Agency exceeded its target for this performance indicator. The five-year survival rate for ACOA-assisted firms is notably higher than that for comparable firms not assisted by the Agency. In fact, from 2003 to 2013, the business survival rate for ACOA-assisted firms was 57.0 per cent after the crucial fifth year following start-up, compared with 31.0 per cent for comparable firms

[16] Centre for Data Development and Economic Research, Statistics Canada, 2016.

not assisted by ACOA.[17] This represents a variance of 26 percentage points. The results for this indicator have been consistent over the past few years, with the gap between ACOA-assisted firms and unassisted firms increasing.

Both of these performance indicators seem to show that the 2008-09 economic downturn affected ACOA-assisted firms less severely and with less lasting consequences. ACOA helped businesses in the start-up process by providing access to financing, information and advice as well as business tools and guides, and allowed them to enhance their productivity, which helped them weather the difficult business environment.

Budgetary Financial Resources (dollars)

2015-16 Main Estimates	2015-16 Planned Spending	2015-16 Total Authorities Available for Use	2015-16 Actual Spending (authorities used)	Difference (actual minus planned spending)
171,221,612	171,221,612	178,259,320	171,964,203	742,591

Human Resources (FTEs)

2015-16 Planned	2015-16 Actual	Difference (actual minus planned)
227	208	(19)

Performance Results

Expected Result	Performance Indicator	Annual Target 2015-16	Actual Result
Improved growth and competitiveness of Atlantic Canadian SMEs	Percentage points by which the labour productivity growth of ACOA-assisted firms exceeds that of comparable firms[18] not assisted by ACOA	0.3	6.1
	Percentage points by which the business survival rate of ACOA-assisted firms exceeds that of comparable firms[19] not assisted by ACOA	10	26

[17] Ibid.
[18] "Comparable firms" are those of similar age, size, sector and geographic region.
[19] Ibid.

Community Development

Description

The Atlantic economy is built on the region's many geographic, linguistic and cultural communities. From rural areas to larger urban centres, the opportunities and challenges vary significantly. Communities are the foundation of economic development and are critical for economic prosperity. The Agency recognizes the importance of communities and supports their efforts to develop the resources they need to contribute fully to their economic development. For these reasons, the Agency focuses community development efforts and strategies to create dynamic and sustainable communities with increased economic and business activities as well as quality public infrastructure. The Agency develops and delivers programming that meets the unique economic development needs of rural areas in Atlantic Canada and that contributes to a stronger region. The Agency collaborates with the private sector, other levels of government, other federal government departments, educational institutions, non-profit organizations and communities to leverage support, coordinate economic development, identify and capitalize on emerging opportunities and react to economic challenges across the region. This requires a flexible approach based on the realities of a given community's capacities, strengths and challenges.

Program Performance Analysis and Lessons Learned

In 2015-16, ACOA worked closely with communities, community economic development networks, and provincial and municipal governments to stimulate the economic development of Atlantic Canada's rural and urban areas.

ACOA approved over $13.5 million in funding to support the network of CBDCs in 2015-16. The business survival rate is an indicator for measuring ACOA's performance in terms of community development. The survival of SMEs is essential for dynamic and sustainable communities in Atlantic Canada. The Agency exceeded its target in this regard: the five-year business survival rate for CBDC-assisted clients is notably higher than that for comparable firms that were not assisted by the CBDCs. For the period from 2003 to 2013, the business survival rate for CBDC-assisted clients was 71.0 per cent after the crucial fifth year following start-up, compared with 47.0 per cent for comparable firms not assisted by the CBDCs.[20] This represents a difference in the five-year business survival rate of 24 percentage points, which is well above the Agency's target of 10 percentage points.

Sales by CBDC-assisted clients totalled $1.37 billion in 2013, up from $1.09 billion in 2008, an average annual growth rate of 4.6 per cent. Sales by comparable firms not assisted reached $51.71 billion in 2013, up from $42.78 billion in 2008, an average annual growth rate of 3.9 per cent per year. This represents a variance of 0.7 percentage points.[21] While the result is lower than the established target, CBDC-assisted clients still

[20] Centre for Data Development and Economic Research, Statistics Canada, 2016.
[21] Ibid.

outperformed the comparable group. The strong growth registered by the unassisted firms during this time is due to their recovery from the recession of 2008-09; their sales fell in 2008 and increased strongly in 2010 as the economy recovered. In comparison, CBDC-assisted clients were not as affected by the recession and their sales kept growing during that time.[22]

ACOA approved $85.5 million in funding for 413 community development projects that are well aligned with the economic priorities and distinct needs of the various communities. Of these, over 96.0 per cent achieved expected results, which exceeds the target of 80.0 per cent. The Agency uses its Community Investment Framework to target investments and generate strong economic benefits for Atlantic communities.

Budgetary Financial Resources (dollars)

2015-16 Main Estimates	2015-16 Planned Spending	2015-16 Total Authorities Available for Use	2015-16 Actual Spending (authorities used)	Difference (actual minus planned spending)
89,727,582	89,727,582	90,705,042	91,402,846	1,675,264

Human Resources (FTEs)

2015-16 Planned	2015-16 Actual	Difference (actual minus planned)
101	102	1

Performance Results

Expected Result	Performance Indicator	Annual Target 2015-16	Actual Result
Dynamic and sustainable communities in Atlantic Canada with increased economic and business activity	Percentage points by which the business survival rate of CBDC-assisted clients exceeds that of comparable[23] firms not assisted by the CBDCs	10	24
	Percentage of Community Development projects that met expectations, thus contributing to the expected result	80%	96%

[22] These statistics relate to a sub-program of Community Development: Community-based Business Development. Further details can be found in the section IV subsection titled Supporting Information on Lower-Level Programs.

[23] "Comparable firms" are those of similar age, size, sector and geographic region.

Policy, Advocacy and Coordination

Description

The Agency's Policy, Advocacy and Coordination (PAC) program is central to identifying and effectively responding to opportunities and challenges facing the regional economy. PAC provides intelligence, analysis and well-grounded advice on a broad range of issues and topics; and it informs and supports Agency and ministerial decision making. PAC helps carry the Agency's agenda forward and ensure that ACOA, overall, remains relevant and responsive to the opportunities and challenges in Atlantic Canada by offering strategic, researched policy positions that reflect the region's potential, by influencing national policies and programs that affect Atlantic Canada's development and interests, and by coordinating other policies and programs within the region to form integrated approaches to development.

Program Performance Analysis and Lessons Learned

In 2015-16, the Agency played a critical role in helping the government deliver on the federal agenda and implement national priorities such as clean growth and high-growth firms in Atlantic Canada by conducting policy research and analysis and by providing sound policy advice. Research and analysis also focused on the opportunities and challenges related to the region's economy, such as demographics, community economic development, CETA[24] and trade with Asia.[25] The Agency considered factors influencing the ability of SMEs to benefit from supply chain opportunities such as business skills, competitiveness, productivity, innovation and commercialization. Key industries such as services, tourism, natural resources, clean technology and energy were also examined.

ACOA advocated for Atlantic Canadian businesses in the design of federal policies, programs and investments. The Agency worked to ensure federal departments were aware of Atlantic Canada's unique needs and economic circumstances in areas such as innovation and commercialization, labour markets, natural resources and clean energy. ACOA helped Atlantic Canadian SMEs position themselves to take advantage of potential opportunities related to major international free trade agreements. The Agency also advocated for policy and regulatory changes that could improve the investment environment for offshore oil-and-gas exploration. The Agency's advocacy efforts also attempted to secure industrial benefit commitments for Atlantic Canadian SMEs resulting from federal defence procurements and the National Shipbuilding Strategy.

The Agency continued in its role as co-chair of the Atlantic Gateway Federal-Provincial Officials Committee, whose work supports the ongoing competitiveness of the transportation system and international promotion of the region's strategic assets. ACOA facilitated the development of a Foreign Trade Zone task force for Sydney, N.S.

---

[24] Atlantic Provinces Economic Council, *The Changing Global Market for Atlantic Manufacturing*, 2015; *A Brief Profile of the EU: Key Considerations for Atlantic Exporters*, 2015; and *Opportunities for Atlantic Manufacturers in the EU*, 2015.

[25] Asia Pacific Foundation of Canada, *The Asia Factor in Atlantic Canada: Project Summary Report*, 2016.

The Foreign Trade Zone will provide single-window access to information on relevant policies and programs at all levels of government.

In its coordination role, the Agency worked with other federal departments, the four Atlantic Provinces and other stakeholders to capitalize on opportunities related to major projects in the region, such as the shipbuilding initiative. Under the leadership of the Atlantic Canada Energy Office, the Agency facilitated the development of the region's energy sector by fostering collaboration, common understanding and communication among the public and private sectors. The Agency continued to administer the Canada-France agreement for regional co-operation between Atlantic Canada and Saint-Pierre and Miquelon in order to grow partnerships supporting increased regional co-operation between the two countries. ACOA continued to work with other federal departments and agencies involved with tourism to develop and maintain an integrated and forward-looking federal tourism agenda. Finally, the Agency helped coordinate the work of federal departments in the region by leading the Atlantic Federal Council.

Budgetary Financial Resources (dollars)

2015-16 Main Estimates	2015-16 Planned Spending	2015-16 Total Authorities Available for Use	2015-16 Actual Spending (authorities used)	Difference (actual minus planned spending)
11,774,749	11,774,749	11,903,019	11,828,235	53,486

Human Resources (FTEs)

2015-16 Planned	2015-16 Actual	Difference (actual minus planned)
69	64	(5)

Performance Results

Expected Result	Performance Indicator	Annual Target 2015-16	Actual Result
Policies and programs that strengthen the Atlantic economy	Percentage of PAC activities that have met their objectives, thus contributing to the PAC expected result	75%	100%

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Program Performance Analysis and Lessons Learned

ACOA pursued the implementation of transformational and organizational initiatives to strengthen and improve the Agency's capacity to deliver excellent programs and services. It also sought opportunities for increased collaboration both within the Agency and within the broader government context. ACOA's pursuit of the Blueprint 2020 vision is part of the Agency's ongoing effort to make innovation and engagement "business as usual." The vision was influenced in large part by the Agency's positive results in the 2014 Public Service Employee Survey. The Agency maintained its focus on employee engagement and the use of employee-driven process improvements. It also supported employees and their development in order to enhance performance and productivity, thus ensuring the provision of high-quality service to Canadians now and in the future. The Agency also continued to promote an open dialogue on topics related to values and ethics through the ongoing implementation of its Values and Ethics Strategy.

ACOA ensured that the work of its Evaluation and Risk directorate aligned with the needs of management through clear direction on strategy, timeliness and calibration, and through the implementation of its five-year evaluation plan and the mitigation of key risks. In addition, the Agency ensured the ongoing existence of a robust performance measurement framework and continued to integrate human resources, risk management, performance management and evaluation considerations into its planning and decision-making processes. The Agency also continued to implement its renewed security plan.

Budgetary Financial Resources (dollars)

2015-16 Main Estimates	2015-16 Planned Spending	2015-16 Total Authorities Available for Use	2015-16 Actual Spending (authorities used)	Difference (actual minus planned spending)
25,861,046	25,861,046	25,710,431	26,413,684	552,638

Human Resources (FTEs)

2015-16 Planned	2015-16 Actual	Difference (actual minus planned)
201	199	(2)

Section IV: Supplementary Information

Supporting Information on Lower-Level Programs

Supporting information on lower-level programs is available on ACOA's website.

Supplementary Information

The following supplementary information tables are available on ACOA's website.

- Departmental Sustainable Development Strategy
- Details on Transfer Payment Programs of $5 Million or More
- Internal Audits and Evaluations
- Responses to Parliamentary Committees and External Audits
- User Fees

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Report on Federal Tax Expenditures*. This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational Contact Information

Atlantic Canada Opportunities Agency
P.O. Box 6051, Moncton, New Brunswick E1C 9J8

Courier address:
644 Main Street, Moncton, New Brunswick E1C 1E2

General inquiries: 506-851-2271
Toll free (Canada and the United States): 1-800-561-7862
Facsimile: 506-851-7403
Secure Facsimile: 506-857-1301
TTY: 1-877-456-6500
Access to Information/Privacy: 506-851-2271
http://www.acoa-apeca.gc.ca/Eng/Pages/Home.aspx

Appendix: Definitions

appropriation *(crédit):* Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures *(dépenses budgétaires):* Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report *(Rapport ministériel sur le rendement):* Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding *Report on Plans and Priorities*. These reports are tabled in Parliament in the fall.

full-time equivalent *(équivalent temps plein):* Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. FTEs are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes *(résultats du gouvernement du Canada):* A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure *(Structure de la gestion, des ressources et des résultats)*: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures *(dépenses non budgétaires):* Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance *(rendement):* What an organization did with its resources to achieve its results, how well those results compare with what the organization intended to achieve and how well lessons learned have been identified.

performance indicator *(indicateur de rendement):* A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting *(production de rapports sur le rendement):* The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending *(dépenses prévues):* For Reports on Plans and Priorities and Departmental Performance Reports, planned spending refers to those amounts that

receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their reports.

plans *(plan):* The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities *(priorité):* Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program *(programme):* A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture *(architecture d'alignement des programmes):* A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities *(Rapport sur les plans et les priorités):* Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

result *(résultat):* An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead, they are within the area of the organization's influence.

statutory expenditures *(dépenses législatives):* Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome *(résultat stratégique):* A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program *(programme temporisé):* A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target *(cible):* A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. A target can be either quantitative or qualitative.

TTY *(ATS)*: A teletype or teletypewriter is a special device that lets people who are deaf, hard of hearing or speech impaired use the telephone to communicate by typing messages

back and forth to one another instead of talking and listening. A TTY is required at both ends of the conversation in order to communicate.

voted expenditures *(dépenses votées):* Expenditures that Parliament approves annually through an appropriation act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Whole-of-Government Framework *(cadre pangouvernemental):* Maps the financial contributions of federal organizations receiving appropriations by aligning their programs to a set of 16 government-wide, high-level outcome areas grouped under four spending areas.